



## **U.S. Department of State FY 2000 Country Commercial Guide: Estonia**

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### **TABLE OF CONTENTS**

I.	Executive Summary
II.	Economic Trends and Outlook
III.	Political Environment
IV.	Marketing U.S. Products and Services
V.	Leading Sectors for U.S. Exports and Investment
VI.	Trade Regulations and Standards
VII.	Investment Climate
VIII.	Trade and Project Financing
XI.	Business Travel
X.	Economic and Trade Statistics
	Appendix A: Country Data
	Appendix B: Domestic Economy
	Appendix C: Trade
	Appendix D: Investment Statistics
XI:	U.S. and Country Contacts
	Appendix E: Contact List
XII:	Market Research and Trade Events

Appendix F: Market Research

Appendix G: Trade Event Schedule

CHAPTER I.

EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Estonia's ommercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. Government agencies.

Since regaining independence in 1991, Estonia's economic reform policy has led to a liberalized, nearly tariff-free, open market economy. During recent years the Estonian economy has continued to show strong growth. Estonian GDP grew by 5 per cent in 1998. Although fallout from the Russian financial crisis held growth to about 0.5% in 1999, many experts predict that the economy will regain its growth at the 4.5% rate in 2000. In 1998 Estonia began accession negotiations with the European Union (EU).

Estonia's liberal foreign trade regime, which contains few tariff or non-tariff barriers, is nearly unique in Europe. Estonia also boasts of a national currency that is freely convertible at a fixed exchange rate, and conservative fiscal and monetary policies. Estonia has free trade regimes with EU and EFTA countries and also with Latvia, Lithuania, Ukraine, Slovakia, Slovenia and Czech Republic. Estonia has observer status in the GATT and is in the final stages of preparation for WTO membership.

Estonia's business attitude towards the United States is positive and business relations between the U.S. and Estonia are increasing significantly. The primary competition for American companies in the Estonian marketplace are European suppliers, especially Finnish, Swedish and German companies.

Total U.S. exports to Estonia in 1998 were \$175.1 million, forming 3.5 per cent of total Estonian imports. In 1998 the principal imports from the United States were meat and edible meat offal, poultry, protein isolates, boilers, electrical machinery, aircraft, ships, boats and floating structures. This trend is expected to continue through the year 2000.

With a market share of 3.5 percent, the United States is Estonia's seventh largest supplier after Finland, Germany, Russia, Sweden, Latvia and Denmark. The United States is among twelve largest customers of Estonia. The U.S. share of 1998 Estonian exports was 1.92 percent, or \$175.1 million.

Estonian future membership in the EU is not expected to have major bilateral

trade implications for the United States. The membership will disadvantage U.S. - origin agricultural products as certain products will be subjects to new import duties and/or fees imposed in accordance with EU rules and regulations.

Estonia's greatest natural asset is its location at the cross-roads of East and West. Estonia lies just South of Finland and across the Baltic Sea from Sweden - the European Union's newest members. To the East are the huge potential markets of Northwest Russia. Having been a member of former Soviet Union, Estonians know how to do business in Russia and in other former Soviet block countries. Estonia's modern transportation and communication links provide a safe and reliable bridge for trade with former Soviet Union and the Nordic countries.

## CHAPTER II.

### ECONOMIC TRENDS AND OUTLOOK

#### Major Trends and Outlook

Largely as a fallout of the Russian financial crisis, economic growth that was nearly 11 percent in 1997, fell to 4 percent in 1998 and is expected to be only 0.5 percent in 1999. However, experts believe that Estonia's economy has bottomed out, and forecast a reasonable and sustainable GDP growth of 4 percent in 2000 and 5-6 percent by 2001.

Estonia's economic downturn over the last two years is the country's first experience of the down side of normal economic cycles. It was not entirely unwelcome as it forced companies and consumers to recognize that slowdowns are inevitable, especially in small economies that have little control over external economic and political developments.

Despite these developments, Estonia's medium- and long-term economic outlooks remain excellent. In its brief history since regaining independence, Estonia has established some of the most radical economic and market reforms in Central and Eastern Europe and has steadfastly stuck with them.

#### Principal Growth Sectors

Services, especially transportation and tourism, will be the principal growth sectors for the next few years. Manufacturing and the forest products sector are also likely to continue to grow.

**Transportation:** Estonia's main ports are modern and relatively well-managed, enjoy low labor costs, are deep enough to allow the largest ships capable of operating in the Baltic Sea to berth and are generally ice-free. The privatization of the railroad linking Estonia's ports to Russia's Great October railroad is expected by the middle of 2000. New management and significant investment should bring a sharp increase in the railroad's capacity.

**Tourism:** Estonia's vibrant service sector contributed significantly to

offsetting Estonia's deficit in trade goods. Tourism, especially the millions of Finns who come every year to Tallinn for shopping and pleasure, is expected to continue to show steady growth.

**Manufacturing:** The supply of components to Nordic companies will continue to show steady growth. The combination of dramatically lower costs and a highly trained workforce, reinforced by the past successes enjoyed by Finnish and Swedish companies operating in Estonia, will lead to investment in similar manufacturing and assembly plants.

**Forest Products:** The wood and forest products industry is also expected to grow steadily. More value-added manufacturing of the abundant timber, which is either harvested in Estonia or shipped in from Russia, will likely take place in Estonia itself.

#### Government Role in the Economy

The economic reforms in place in Estonia have limited the government's role in the economy to an extraordinary degree. Because of a balanced budget legal requirement and the use of the currency board system, the government has an extremely restricted range of instruments with which to influence the economy. With the Estonia kroon pegged to the German Mark at a ratio of eight to one, the size of Estonia's money supply is directly determined by the amount of foreign exchange it can attract through exports, loans, or investments. Beyond the constraints imposed by the legally mandated balanced budget, the government has been extremely reluctant to issue sovereign guarantees from international financial institutions, so much so that Estonia has an international public debt burden of about 5 percent of GDP.

The government has also restricted its role in government by avoiding import tariffs (except for agricultural products from certain third countries) and limiting excise taxes to a small range of products.

The legal requirement for a balanced budget has prompted Estonia to establish an offshore stabilization fund where it has deposited income above its expenditures and much of the revenue from privatizations, including a successful IPO for the telecommunications company. Despite the current budget shortfall, the government is extremely reluctant to draw on the stabilization reserves. Instead, the government has opted to deal with the 1999 revenue shortfall by deferring investments, preparing a negative supplementary budget that cuts spending, and by taking additional steps to cut expenditures.

Estonia has largely completed its privatization with only a few infrastructure enterprises still remaining under government control. In 2000, the privatization of the railroad, the power generating company, and associated oil shale mines are all due for completion. Virtually all other state-owned enterprises engaged in productive activities have been privatized. A small number of municipal-owned enterprises have yet to be privatized but these constitute a tiny fraction of the overall economy.

#### Balance of Payments

Estonia's small, open economy is constrained by its currency board system and can only grow by attracting foreign capital. In the mid-90s,

Estonia's strong economic growth coupled with the need to extensively rebuild the economy resulted in current account deficits that reached as high as 12-13 percent of GDP. While the economic slowdown has narrowed this significantly, the current account deficits remain a concern. And while imports have continued to decline, so, too, have exports. Income from services and capital inflows in the form of foreign direct investment have remained strong.

#### Infrastructure

**Telecommunications:** The long distance telephone concession agreement the government made with a consortium of Swedish and Finnish firms, while controversial, has served the country well, with modern, in many cases, digital phone lines extended throughout the country. In areas where the population density was too low to warrant installation of fixed line systems, other wireless systems were installed. In addition to its fixed line system, Estonia has three mobile phone service providers and the country has the highest number of mobile phone users per capita in Central and Eastern Europe.

**IT:** Information technology has progressed quickly with Estonia having one of the highest number of Internet users in Central and Eastern Europe. The government has undertaken a major commitment to provide all schools in the country with Internet access.

**Transportation:** Surface transportation is satisfactory, although the road system is becoming increasingly taxed by the growing number of vehicles. The railroads handle a steadily growing amount of transit trade for Russia through Estonia's excellent, modern ports.

The bulk of transit cargo passes through the Tallinn's expanding ports. Unlike in Latvia, where the majority of petroleum products are transported from Russia via pipeline, nearly all of the petroleum transiting Estonia is hauled in railcars.

**Energy:** Estonia is self-sufficient in electrical power; its two large oil-shale power plants have a generating capacity of about 3000 Megawatts, twice Estonia's domestic demand. Because of its large oil shale reserves, Estonia does not need to rely on other sources for fuel. The power plants formerly produced and exported energy to Russia and Latvia, but these markets have largely disappeared. Negotiations are currently underway with a U.S. energy company to form a joint venture to renovate and operate the two oil-shale fired plants, at the same time bringing them into compliance with international environmental standards.

#### CHAPTER III.

##### POLITICAL ENVIRONMENT

##### Brief Synopsis of Political System

Estonia is an independent and sovereign democratic republic, wherein the supreme power is vested in its people. Estonia's government is divided into four branches: a president, the Riigikogu (a unicameral parliament), the Government (cabinet -- led by the prime minister), and

the courts. There is universal suffrage for Estonian citizens over 18 years of age residing in Estonia or abroad.

The party spectrum during election campaigns ranges from single issue parties to others that provide a complete political, social and economic program. Estonian citizens may be members of political parties formed in Estonia. Currently, there are about thirteen political parties registered in Estonia.

All governments to hold power since 1992 general elections have proclaimed the development of an open market economy to be the main principle of economic reform.

#### Nature of Bilateral Relationship with the United States

In general, Estonian - U.S. bilateral trade and investment relations are of a strategic nature; the bilateral economic relations are closely linked to foreign policy and national security objectives. The strategic interests primarily rest with Estonia since it is significantly more interested in security policy considerations vis-à-vis economic integration with the West. As economic prosperity encourages stability, the economic relations between Estonia and the United States play a significant role in the development of a stable and prosperous Europe as a whole. This in turn benefits the United States with a stable market for U.S. companies and a friendly co-operative international partner.

The US has implemented several sound policies aimed at strengthening a prosperous trading relationship. Economic policies which have helped guide U.S. - Estonian co-operation include the most favored nation regime, the general preference system, and the financing programs of OPIC, U.S. TDA and the USA Export - Import Bank.

To date 7 economic agreements have been concluded between the U.S. and Estonia, 5 of which are ratified and in effect.

#### CHAPTER IV.

#### MARKETING U.S. PRODUCTS AND SERVICES

##### Distribution Channels

Distribution channels in Estonia are similar to the United States market. Goods may be sold through an agent, distributor, established wholesaler, or by selling directly to retail organizations.

Privately-owned wholesale and trading houses are particularly strong in certain specialized sectors, such as electronics, electrical components and instruments, pharmaceutical and health care products, technical products and machinery, raw materials and chemicals.

##### Use of Agents and Distributors; Finding a Partner

One exclusive agent/distributor is usually appointed to cover the entire country. Estonian importers often represent several different product lines.

In selecting a representative, the exporter should check whether that company handles competing products.

There is no clearinghouse of information for finding a partner in Estonia. It is recommended that U.S. companies seeking agents, distributors, or partners in Estonia contact local trade associations for a list of importers, purchase the Agent Distributor Service (ADS) from their nearest U.S. Department of Commerce District Office, or contact either the Estonian Investment Agency or the Commercial Section of U.S. Embassy Tallinn.

#### Direct Marketing

Direct Marketing is both a media and a way of selling. Direct marketing as a media includes direct mail and direct response advertising (press, radio and television). As a way of selling it covers mail order, direct selling and telemarketing. Both direct sales and mail order sales are showing a steady growth in Estonia.

#### Joint Ventures/Licensing

Joint ventures and licensing arrangements with foreign manufactures are allowed and encouraged. Several U.S. companies have established themselves in the Estonian market with subsidiaries and joint ventures. A number of Estonian firms are interested in using their long-established contacts in the former Soviet Union to market U.S. goods. The Estonians cite a number of selling points for using Estonia as a gateway to Russia.

#### Steps to Establishing an Office

Commercial operations in Estonia may be performed either as a "physical person" or a "legal person," and may be divided into four forms: 1) general partnership; 2) limited partnership; 3) limited company; and 4) a public limited company. Descriptions of the different forms and English-language guidelines on how to establish such firms in Estonia are available on the web sites of either the Estonian Investment Agency ([www.eia.ee](http://www.eia.ee)) or the Estonian Chamber of Commerce and Industry ([www.koda.ee](http://www.koda.ee)).

#### Selling Factors/Techniques

Selling factors and techniques are very similar in Estonia to those in the United States. Terms generally applied to international trade with industrial countries apply to selling in Estonia. When selling through a local distributor financing is covered in mutual agreements.

#### Advertising and Trade Promotion

Since January 1998 Law on Advertising has been in force, according to which advertisements should not be offensive to minorities (race, sex, etc.) Also provisions on child-related advertisements are included. Advertising of tobacco and tobacco products is prohibited, advertising of alcohol is strictly limited.

Nearly half of the advertising in Estonia is through the national and local printed press. About 26% of advertising is conducted via television, while radio, magazines and outdoor media had a total share of eight percent.

International advertising magazine "Advertising Age" has pointed out four Estonian advertising companies Inorek & Grey, Brand Sellers DDB Estonia, Bates Adell Saatchi & Saatchi and Zavod. In 1997 Inorek & Grey showed the biggest turnover of \$1.4 million.

Major Estonian periodicals and their circulation are the following: Postimees (67 000), Eesti Päevaleht (36 000), Sõnumileht (30 500), Õhtuleht (15 000), Eesti Ekspress (58 000), Äripäev (12 000).

#### Trade Promotion

Most of the international fairs take place at Estonian Fairs Ltd., located in Tallinn. See section E for a list of contacts.

#### Pricing Products

Products in Estonia are priced using the following method:

CIF price + excise tax + profit + value added tax (18%)

Excise tax is levied on raw tobacco and cigarettes, cigars, cigarillos; alcohol and beer; petrol, diesel oil, jet fuel, lubricating engine oil; cars, motorcycles and yachts motor vehicles and package. Tobacco and tobacco products imported to Estonia are assessed when the excise tax tags are bought. The rate of excise duty is the price of the tax tag. The enterprises, having the national license for producing, importing and exporting of tobacco products, have the right to buy the tax tags. The excise tax is imposed on the spirits, alcoholic beverages and beer. Synthetic spirits, by-products of rectification and distilled spirits are not subject to the excise tax.

Nearly all imports, as well as domestic production, are subject to the Value Added Tax (VAT). Exemptions from VAT cover medicines, medical goods and equipment for funeral services, goods imported for non-profit purpose and some other specific goods and services the turnover of which is tax-free in Estonia.

There are no price controls in Estonia.

#### Sales Service/Customer Support

Major suppliers normally establish sales offices in Estonia that are supported by dealers. There are also importers/distributors who use a network of dealers to support their marketing efforts. As a rule, one exclusive agent/distributor is appointed to cover the entire country. Estonian importers often represent several different product lines. Importers may serve large customers themselves while dealers work with smaller customers and those located outside Tallinn. Training, usually arranged and carried out by dealers, is an important aspect.

Service points should cover the whole territory and not be limited to the capital.



## Selling to the Government

Government procurement is governed by the Public Procurement law (January 1, 1996; amended July 1998). Conducted through open tender, government procurement may take place in one of two ways: 1) limited bidding with negotiations, or 2) a government tender open to all bidders. The law regulates public procurement that exceeds \$14 500, new construction which exceeds \$144 300, or the preparation of a construction site or construction services for more than \$36 100. As provided for by the law in case contra versus occur with international agreements entered by the Republic of Estonia, the provisions of the agreement prevail.

Sources of Information - Announcements concerning public procurement are through Public Procurement Office and published in daily newspapers. See section E. for a list of contacts.

## Protecting Your Product from IPR Infringement

The Estonian legal system protects property rights, including intellectual property. The Copyright Law was established in 1992. The Trademark Law, the Patent Law, and the Utility Model Law were all established in 1994. Estonia adheres to the Bern Convention, the Geneva Convention on the Protection of Phonograms, the Paris Convention, the Patent Cooperation Treaty, the NICE Agreement, the Budapest Treaty on the International Recognition of the Deposit of Microorganisms, WIPO, TRIPS and the Rome Convention. A law amending the copyright law and criminal code was adopted in 1998. It complies with the EU directives granting protection to authors, performing artists, record producers, and broadcasting organizations.

It is recommended that U.S. firms desiring to register their patent or trademark seek the assistance of a reputable attorney experienced in IPR issues. The Association of Estonian Patent Attorneys (EPS) has a list of 25 certified patent attorneys. See section E. for a list of contacts.

**Copyrights:** Copyrights are valid for the lifetime of the artist plus 50 years. There is no application process for nor formal bestowal of copyrights -- it is automatic upon creation of the work.

**Patents:** Patents are granted for 20 years. Application is made at the Estonian Patent Office. Estonia also accepts patent applications (translated into Estonian) from abroad.

**Trademarks:** Applications must be made to the Estonian Patent Office. English language guidelines to apply for a trademark are available from the Estonian Patent Office (see Appendix E).

**Utility Models:** Only a device can serve as a subject of a utility model. An application for the registration of utility model can be based on a pending patent application. English language information for registering a utility model may be obtained from the Estonian Patent Office (see Appendix E).

## Need for Local Attorney

The use of local attorneys is recommended for U.S. firms planning to operate in Estonia or enter into contracts with Estonian companies. An updated list of Estonian attorneys can be obtained from the American Embassy, Consular Section, Kentmanni 20, 15099 Tallinn, Estonia, tel: 372 6312 021, fax: 372 6312 025.

#### CHAPTER V.

##### LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

###### Best Prospects for Non-Agricultural Goods and Services

1. Telecommunications
2. Environmental Protection Technology
3. Travel and Tourism services

Rank of sector: 1

Name of sector: Telecommunications

ITA industry code: TEL

Telecommunications is one of the fastest growing markets in Estonia, as the country modernizes the antiquated telecommunications infrastructure inherited from its socialist period. The privatization and deregulation of the Estonian telecommunications market began in 1991 with the separation of operative functions (enterprises) from the regulatory bodies (ministry) and continued through the creation of companies with foreign capital participation. The telecommunications and postal services sector is virtually open. One important exception is that the national telephone service provider, AS Eesti Telefon, was granted special rights in telephone communications until 2001. The state sold its participation in Eesti Telekom via an open tender to a consortium of Swedish and Finnish firms in January 1999.

The density of telephone coverage per 100 residents has risen from 22 at the end of 1992 to 34.2 as of March 1999. As of March 1999, there were 497,000 main telephone lines, of which 48 percent were digital lines. Approximately 20 percent of the Estonian population utilize cellular telephones.

The number of computer users is 400 thousand, which constitutes 37% of the adult (aged 15-74) population. Seven percent of computer users have a computer at home, and an additional 2% own their own laptops. There are 21,298 Internet hosts in Estonia (i.e. 147 hosts per 10 000 of population).

Rank of sector: 2

Name of sector: Environmental protection technology

ITA industry code:

Nearly USD 67.6 million was spent on environmental protection in Estonia in 1998, a figure which is expected to reach USD 565 million in the 1998-2000 timeframe, and nearly USD 950 million between 2001-2006. The actual amount is in doubt however, given that the majority of environmental protection investments are the responsibility of the currently cash-strapped public sector. Nonetheless, there are certain

environmental standards that Estonia must meet in order to join the EU, and the environmental technology market in Estonia will continue to grow accordingly. Nearly 90% of the environmental investments in Estonia over the past years have been directed toward the protection of water and ensuring the quality of drinking water -- about USD 44.3 million. Significant resources were also put into waste treatment.

Rank of sector: 3

Name of sector: Travel and Tourism Services

ITA industry code: TRA

With the minimum of 28 days of vacation per year, 20 percent of the Estonian population traveled abroad in 1998, compared with 2.5 percent in 1993. Ninety-seven percent stayed in Europe, with a strong preference for Scandinavian destinations. North America and Thailand are the top choice among long-haul destinations. However, there is heavy competition from new destinations such as Morocco.

More than 5,000 tourists from Estonia visited the United States in 1998, which is 6.6 percent more than in 1997.

There are no direct flights between Estonia and the U.S., and competition between airlines to sell tickets to the U.S. is almost nonexistent -- the price of U.S. destination flights is correspondingly high. Competitively priced tourist packages are mostly sold through travel agencies in Scandinavia.

#### Best Prospects for Agricultural Products

High priority beverages: Live stock genetics, dairy related agricultural equipment, feed grains, feed supplements; pet food;

Medium priority: fresh fruits; beverages: wine; snack food: health snacks, nuts; convenience foods; Estonia's agricultural sector has still not recovered from half a century of forced socialism, and is struggling both to modernize and adjust to free market competition at the same time it readies itself to enter the EU. Additionally, the financial crisis in Russia weakened one of the Estonian agricultural sector's largest export markets.

The most successful U.S. agricultural export to Estonia is poultry -- of the nearly USD 75 million of poultry imported by Estonia in 1998, over one-third was from the United States. Other significant U.S. exports include protein isolates and concentrates (USD 4.77 million -- one-third of Estonian imports), pork (USD 2.4 million), ham sausages (USD 1.2 million) and ethyl alcohol (USD 1 million).

To date there are no tariffs on agricultural imports. However, it appears that the Estonian government will place import tariffs on agricultural imports from certain third countries (this excludes Ukraine, Latvia and Lithuania, and members of either the EU, or EFTA) beginning January 1, 2000. The amount of the tariffs and the products to which they are applied remains to be decided. However, all tariffs will be within the limits allowed by the WTO.

## CHAPTER VI.

### TRADE REGULATIONS AND STANDARDS

#### Trade Barriers, Including Tariffs, Non-Tariff Barriers and Import Taxes

Under Estonian law all companies, regardless of their ownership structure, may carry out foreign trade relations. State-owned enterprises have neither exclusive rights nor special privileges in their purchases or sales involving exports or imports.

Currently Estonia is practicing a liberal foreign trade regime with few tariff or non-tariff barriers. It is expected though, that the government will place import tariffs on certain agricultural products. The continued success of the external trade regime depends heavily on restructuring and revitalization of companies in the agricultural and industrial sectors.

Having started accession negotiations with the European Union (EU), Estonia is in the process of adopting EU internal market procedures. U.S. firms may be confident that future Estonian trade practices will resemble those of the EU.

#### Customs Valuation

Goods imported into or exported from Estonia must be cleared through the Estonian Customs. It collects the following duties and taxes:

- A. procedure fee - fee of a fiscal nature of about USD 14.50.
- B. Value added tax - VAT is levied ad valorem.

Products exempted from VAT include medicines, medical goods and equipment, equipment for funeral services, goods imported for non-profit purposes, and some other specific goods and services. VAT is collected by customs upon clearance of imported goods. For customs purposes, value is defined as the transaction value of the good, with the addition of certain costs such as insurance and freight, up to the Estonian border.

#### Import/Export Licenses

Licenses are required for importing and exporting: metals; fuel; spirits; tobacco and tobacco goods; pharmaceuticals; weapons, ammunition, explosives; lottery tickets; and private passenger vehicles. The license requirement applies equally to domestic and foreign firms, and are issued to those firms that apply and that fulfill the application requirements. The licenses do not establish quantitative restrictions. Licenses are obtained from the Ministry of Economy. See section E for a list of contacts.

#### Import/Export Documentation Requirements

Imports/exports must be cleared in writing, using the forms provided by the National Customs Board of Estonia. The customs declaration must be filled out by the holder of the goods or by a declarant who has been granted adequate authority by the Customs Board.

#### Temporary Entry

Goods transiting Estonian territory are not charged duties. It is possible to obtain temporary exemption from duty for items such as commercial samples, and for goods intended for public displays at exhibitions and fairs. If the goods are put to any unauthorized use or are not exported within the prescribed time period (maximum one year) they must go through normal customs clearance and become liable for relevant duties and taxes.

#### Labeling/Marking Requirements

The following information, in Estonian, is required on the retail packaging, or otherwise marked on the product (a sticker, label, etc.):

- Name of product (indicating clearly the contents of the package)
- Name of the manufacturer or the name of the company that had the product manufactured
- Amount of contents (weight or volume of the contents to be specified, measures in metric system).

If warranted, the following information should also be included on the retail packaging or otherwise clearly identified on the product: contents of the product, care instructions, operating instructions, and a warning of possible danger related to the use or disposal of the product.

A retail-size food package must show the same name of the manufacturer, packer or importer, commercial name of the product, net metric weight or volume, ingredients in descending order of weight, last recommended date of sale, and storage instructions if perishable or intended for infants. This information described above must be provided in Estonian.

#### Prohibited Imports

There are no prohibited imports. See Special Import Provisions.

#### Standards

Estonian standards for imported goods are being developed and are based on those of the ISO (International Standards Organization). It is highly recommended that U.S. products imported into Estonia meet international or European standards.

The central body for standardization in Estonia is the National Standards Board of Estonia. See section E for a list of contacts.

#### Free Trade Zones/Warehouses

Since 1997, a free trade zone has operated at Muuga Port, one of the four harbors that forms the Port of Tallinn complex. A free economic zone is being established in Sillamae (an industrial area in Estonia's northeast). In January 1999, two more free trade zones were approved for Valga and Võru (Southeast Estonia).

There are a number of bonded warehouses located in border areas. The free storage areas are available equally to all firms, whether domestic or foreign. Goods may be stored in the warehouses for up to a year, free from import or export duties. The term of storage may be extended by the Customs Board. While the processing of warehoused goods is prohibited, improvement of the packaging, and preparing goods for sale and transport is not considered to be processing.

#### Special Import Provisions

The import and export of plant and plant products is permitted only with an accompanying phytosanitary certificate issued by the Estonian Plant Guarantee Inspection Board or competent foreign authorities. These goods may be imported or exported only at specified border crossings.

The import and export of livestock, fish, fowl, aquatic organisms, animal and poultry products, animal feed and its components and veterinary and biopreparations, are subject to state control and enforced by the Estonian Veterinary Control Border Inspection.

Special conditions exist for importing or exporting the following products: cultural artifacts; precious metals, stones and articles containing these; medicinal products; weapons; explosives; radio broadcast equipment; rare species of plant and animals; goods subject to veterinary, food and phytosanitary control; plant preservatives; narcotic drugs and psychotropic substances; foreign currency and securities; equipment and means for recording of audiovisual production; lottery tickets; strategic goods; radioactive radiation sources; motor vehicles; building cement; and dangerous and other waste.

#### Membership in Free Trade Arrangements

Estonia has entered free trade agreements with: the Czech Republic, Denmark, the Faro Islands, Latvia, Lithuania, Norway, the Slovak Republic, Slovenia, Switzerland, Turkey, and Ukraine. Free trade negotiations have been started with Bulgaria, Poland and Romania.

Because it is EU accession negotiations, Estonia will comply with those trade agreements that the EU has made with third countries.

### CHAPTER VII.

#### INVESTMENT CLIMATE

#### OPENNESS TO FOREIGN INVESTMENT

Estonia's government maintains a highly favorable attitude toward foreign direct investment. Foreign investment in Estonia is governed by the law on foreign investments, enacted in 1991 shortly after regaining independence. The law's intent is to affirm the liberal treatment of foreign investments in Estonia and to provide potential investors with detailed information on investing in Estonia. The government has sought to maintain liberal policies and establish free trade agreements in order to attract investments that could

produce exports directed to the European union, the developing markets of central and Eastern Europe and the newly independent states of the former Soviet Union.

In 1998 Estonia commenced discussions aimed at accession to the European Union, having been invited as one of the first group of Central and Eastern European countries to start talks. In its efforts to harmonize with the EU, Estonia is adjusting its laws and regulations in line with EU practices.

Estonia's government does not screen foreign investments. It does, however, establish requirements for certain sectors. These are not intended to restrict foreign ownership but only to regulate it and clearly establish ownership responsibilities. Licenses are required for a foreign investor to become involved in: mining, energy, gas and water supply, railroad and transport, waterways, ports, dams and other water-related structures, and telecommunications and communication networks. The Estonian central bank issues licenses for foreign interests seeking to invest in or establish a bank. Government review and licensing have proven to be routine and non-discriminatory.

Estonia's openness to foreign direct investment has extended to its nearly complete privatization program. As of mid-1999, only a handful of state-owned enterprises, mainly the railroad and enterprises in energy have yet to be privatized by the national government. Additional enterprises owned by municipalities and local governments have yet to be privatized but they are few in number and account for only a small percent of economic activity. All of the remaining infrastructure enterprises slated for privatization are being vigorously pursued by foreign investors.

Estonia has mutual investment promotion and protection agreements with the United States, Denmark, Finland, Sweden, France, Norway, Netherlands, Germany, Switzerland, Poland, China, Israel, Great Britain and Austria.

In 1994, the Estonian investment agency (EIA) was established. This is a publicly funded agency under the administration of the ministry of economic affairs. The EIA aims to develop the Estonian economy by promoting foreign direct investment.

#### Conversion and Transfer Policies

The Estonian currency is a free currency with no restrictions on its transfer or conversion. Thus, there are no restrictions, limitations or delays involved in converting or transferring funds associated with an investment (including remittances of investment capital, earnings, loan repayments, or lease payments) into a freely usable currency and at a legal market clearing rate. There is no limit on dividend distributions, as long as they correspond to a company's official earnings records. If a foreign company ceases operating in Estonia, all of its assets may be repatriated without restriction. These policies have been fixed for many years and there is no indication that they will be altered in any way. Foreign exchange is readily available for any purpose.

#### Expropriation and Compensation

Private property rights are observed in Estonia. There have been no cases of expropriation or nationalization since the country regained its independence in 1991.

There are no outstanding investment disputes involving the government.

#### Dispute Settlement

Disputes concerning investments have not been a problem since Estonia regained independence in 1991. In 1999, one outstanding dispute involving a U.S. investor and the central bank is pending, having been submitted to courts in both Estonia and the U.S. there has been no pattern of investments becoming mired in disputes.

Estonia has been forced in a few years to create a legal system from the remnants of the Soviet legal system, a task which, even with extensive foreign assistance, remains a work in progress. Drafting and implementing legislation, training and retraining court officials and law enforcement personnel has proven difficult. The Estonian government commits substantial resources to this effort but acknowledges that much remains undone.

Despite the problems, Estonia's judiciary is independent and insulated from government influence. Property rights and contracts are enforced by the courts although in increasingly infrequent instances judicial decisions in these and other matters can be arbitrary and indifferent to the law.

Estonia commercial code is consistently applied, although with the growth of commercial activity, the need is recognized to refine and revise the code. Concerning bankruptcy, Estonia's law has proven extremely effective. It is often cited as one of the key factors that has contributed to Estonia's successful economic reforms. Assets of bankrupt enterprises are liquidated and distributed among the creditors.

#### Performance Requirements/Incentives

Estonia has made a fundamental premise of its economic policy that foreign and domestic capitals are treated identically. To do otherwise would introduce distortions into the market. As a result, no special investment incentives are available to foreign investors, nor is any favored treatment accorded them. Similarly, there are no specific performance requirements identified with foreign investment that differ from domestic investments.

Estonia continues to refine its immigration policies and practices. An effort to bring its immigration laws in conformity with those of Western Europe and the Nordic countries has created some difficulties particularly for U.S. citizens in obtaining residency and work permits. The problems are recognized by the government, and steps are being taken to address them both legislatively and procedurally. However, Estonia's still weak bureaucracies have more work to do in balancing their intention to control the country's borders with being open to foreign investors and workers. Legislation pending



in the parliament is expected to be passed by the end of 1999 which should in large measure lessen the problem for u.s. citizens.

Estonia imposes no tariffs on imports. However, a uniform value added tax is levied on imports. In cases where these are re-exported directly or used in products that are exported, the tax can be refunded. Excises taxes are also levied on a limited range of goods including motor vehicles, boats and various luxury goods. Estonia's economy is one of the most open in the world with respect to access to the market for imports.

#### Right to Private Ownership and Establishment

Private ownership and entrepreneurship are respected in Estonia. In most fields of business activity, participation by foreign companies or individuals is unrestricted. As provided for by the law on foreign investments, foreign investors have the same rights and obligations as Estonian citizens and legal entities. Foreign investors may purchase buildings and land for production purposes and fully own, establish and buy companies.

Only a handful of sectors of the economy require approval from government bodies for foreign investment and participation. These include banking, mining, telecommunications and the like.

Competitive equality is the official standard applied to private enterprises in competition with public enterprises. Private companies do not face discrimination.

#### Protection of Property Rights

Secured interests in property, both chattel and real, is recognized and enforced. Mortgages are quite common for both residential and commercial property and leasing as a means of financing is widespread and efficient.

The legal system protects and facilitates acquisition and disposition of all property rights, such as land, buildings and mortgages. Estonian governments pledged to restitute property to the owners from the pre-soviet occupation. This has been a long, complicated process that remains uncompleted, especially for non-residential real properties.

The Estonian legal system protects property rights, including intellectual property. Estonia adheres to the Bern Convention, WIPO and TRIPS. The country has not yet joined the Rome convention, which protects the rights of producers. However, membership in that pact is one of the preconditions for becoming a full EU member. A law amending the copyright law and criminal code was adopted in 1998. It complies with the EU directives granting protection to authors, performing artists, record producers, and broadcasting organizations.

#### Transparency of the Regulatory System

The government has set out transparent policies and effective laws to foster competition and to establish "clear rules of the game." With Estonia's commercial community as small as it is, instances of

favoritism are not uncommon despite regulations and procedures that are designed to limit it.

Given the legacy of over 50 years of occupation and the challenges of creating a civil society and modern bureaucracy in a short time, vestiges of the former system remain, especially at the lower levels of the bureaucracy. Despite the policy commitment to eradicate unnecessary procedures and regulations, the practical challenges of doing so are daunting. The government recognizes the need and is working to that end although it also recognizes that many of the practices are deeply rooted and will only change slowly. Nevertheless, Estonia's reforms have permeated the bureaucracy to the point where many procedures are far more streamlined and transparent than other countries in the region.

Tax, labor health and safety laws and policies have been crafted to encourage investment. And while there is much room for improvement, the level of foreign direct investment per capita suggests that Estonia has been successful in crafting a legal framework that attracts rather than discourages foreign investment.

#### Efficient Capital Markets and Portfolio Investment

Estonia's financial sector is modern and efficient. Government and central bank policies facilitate the free flow of financial resources and thereby support the flow of resources in the product and factor markets. Credit is allocated on market terms and foreign investors are able to get credit on the local market although they often look elsewhere as they frequently can find better terms elsewhere. The private sector has access to an expanding range of credit instruments similar in variety to those offered by banks in Estonia's nordic neighbors.

Legal, regulatory and accounting systems are transparent and consistent with international norms.

Estonia's small stock exchange has been self-regulating. Government regulation has rested on a legal foundation that is out-dated and does not take into consideration the range of investment instruments and practices characterizing a modern equity market. At present, the government, central bank and stock exchange are developing a regulatory environment that combines regulation of banking, investments, and insurance under a single authority.

Estonia's banking system has consolidated far faster than many other countries in the region. There are only five commercial banks operating and one branch of a foreign bank. The two largest banks, which have over 80 percent of the market, both have substantial investments from leading Swedish banks. Estonia's commercial banking system is regarded as sound and well regulated.

An increasing number of Estonian firms have been purchased by foreign interests. The small size and openness of the Estonian economy have resulted in many locally owned enterprises recognizing that they can only be competitive regionally and internationally by bringing in foreign capital and management expertise.

## Political Violence

Estonia has not experienced any politically motivated damage to projects or installations.

## Corruption

Estonia has laws, regulations and penalties to combat corruption and it has generally not been a problem faced by foreign investors. Instead, foreign companies have often found it difficult to insinuate themselves into the local commercial community where many Estonian executives know one another and often help one another out in ways that make it difficult for outsiders to compete effectively.

Both offering and taking bribes are criminal offenses. What tends to be more common than bribes are arrangements and payments that exceed the services rendered. Surveys of American and other non-Estonian businesses have shown that issues of corruption are not a concern for these companies, nor are protection rackets.

## BILATERAL INVESTMENT AGREEMENTS

Estonia has concluded bilateral investment agreements with: Holland, Switzerland, Germany, China, Israel, Great Britain, Austria, the USA, Turkey, the Czech Republic, Ukraine, Lithuania, Latvia, Belgium, Luxembourg, Italy, Greece and Spain.

A bilateral taxation treaty with the u.s. was signed in January 1998. It has been ratified by the Estonian parliament and is pending ratification by the U.S. Senate and completion of other formalities.

## OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

Estonia is the member of the multilateral investment guarantee agency.

In September 1998 OPIC announced that it is expanding its support of U.S. investments in the Baltic States. Helping to mobilize American private capital to support regional growth in the Baltic States is considered a priority for the Overseas Private Investment Corporation.

## LABOR

Estonian labor force is highly skilled and well educated. There are 10 universities, 25 higher education colleges and 114 technical secondary institutions, producing graduates with adequate managerial and technical skills and fluent in English, Russian, German and other languages. Over 14 percent of the population has received post-secondary education and this number is growing rapidly.

Despite of high skills, the average Estonian salary in 1997 was \$257 a month (\$322 a month in the manufacturing sector) - a fraction of the rate elsewhere in Scandinavia or in Germany.

The effective rate of unemployment is around 10 percent, ensuring that a pool of available staff is present, many with high level of technical skills. Trade unions have a limited influence and take a co-operative approach to industrial

relations. Industrial disputes are extremely rare.

With a negative population growth and a population that is aging, Estonia, like many other countries of central and Eastern Europe faces serious demographic challenges that affect labor supply. While unemployment is relatively low, many labor practices are inefficient. Improving efficiency is a key focus for Estonia's efforts in the near- and mid-term to increase productivity of its work force.

#### FOREIGN TRADE ZONES/FREE PORTS

There is no free port in Estonia. However, there are eighty public bonded warehouses and eighteen private bonded warehouses. The free storage areas, which are run either by municipal or private corporations, are available to all companies, both domestic and foreign-owned. In addition to these warehouses there are four foreign trade zones. Warehousing and assembly are allowed in these areas, with the permission obtained through the customs board.

#### FOREIGN DIRECT INVESTMENT STATISTICS

Foreign direct investment has continued to grow every year since Estonia regained independence, despite forecasts that it would drop off sharply as the privatization process ended. Predictions for 1999 are that it should exceed 1998. The two remaining large-scale infrastructure privatizations--the power generation plants and the main freight railroad--are both expected to involve large foreign investments.

A pattern that prevails among foreign investors has been for them to acquire control of a local plant or factory with a relatively small investment, then invest in capital goods to upgrade existing production. Should that prove successful, the investor then brings in a more substantial investment.

Large greenfield projects have been limited to certain sectors, particularly related to forest products and wood processing, aimed at producing goods for Nordic and Western European markets.

Nearly 60% of foreign direct investment in Estonia comes from Finland and Sweden, with the U.S. coming in as a distant third with 6%. Investments from Denmark, Norway Liechtenstein and the U.K. each account for another 4% of foreign direct investment. The major fields of activity include: manufacturing; trade and repairs; financial intermediation; transport and communication; and real estate.

Estonia's largest foreign investors are:

Estonian Telecom -- Sweden/Finland, telecommunications operation;  
Estonian Mobile Telephone -- Sweden/Finland, mobile telephones;  
Tolaram Group -- Singapore, investments, mainly textiles and  
paper products;  
Estonian Shipping Company -- Norway/U.S., sea transport;  
Kunda Nordic Cement -- Finland, cement production  
E.O.S. -- U.S., oil terminals;  
Radiolinja -- Finland, mobile telecommunication;  
Eesti Statoil -- Norway, fuel sales

Ritabell AS -- Luxemburg, mobile telecommunication;  
Neste AS -- Finland, petroleum products.

## CHAPTER VIII.

### TRADE AND PROJECT FINANCING

#### Description of Banking System

Estonia has the strongest, most developed banking system in the Baltic States. In part this has been due to the autonomy accorded to the Central Bank and its supervision over the country's commercial banks. Estonia's banking sector is closely monitored by the IMF and international risk rating agencies. The country has adopted a universal banking model that allows banks to participate in other financial activities including operating leasing, insurance, brokerage firms.

In 1998 and 1999 there have been bank failures, including some which are probably the result of malfeasance on the part of bank management. Currently the Estonian banking system is dominated by two banking groups: Hansa Bank, the result of the recent merger of Hansa Bank and Hoiupank (Saving Bank) and Union Bank, the result of merger of Union Bank and Tallinn Bank. In all, there are five commercial banks, including a branch of Finnish MeritaNordbanken.

Major Estonian commercial banks service the whole country through their branch networks. They also manage individual subsidiaries that engage in mortgage banking, finance company activities, credit card business, investment operations etc. Commercial banks have extensive foreign networks of branch offices, subsidiaries, consortium banks and representatives offices through which foreign trade payments are effected.

#### Foreign Exchange Controls Affecting Trading

There are no foreign exchange controls in Estonia.

#### General Availability of Financing

The Estonian financial market is a typically European environment where banks and financing institutions have the dominant role.

#### How to Finance Exports/Methods of Payment

In 1997, the "Export Developing Program" of Phare was launched. It will last till June 1999. The implementation of this program will be carried out by the Estonian Trade and Investment Board, formed on the basis of the Estonian Investments Agency. The Ministry exercises the founder's rights. The main goal of the program is to improve the competitive power of the Estonian economy by means of developing export activities in order to prepare Estonia for joining the European Union, including assistance to exporters in penetrating new markets; increasing the efficiency of export promotion services; development of priority sectors; support for the development of the Foundation.

Financing and guarantees for exports are provided by the Government-owned Foundation For Export Credits and Guarantees. Depending on the nature of the goods exported and on the risks of the trading partners, a portion of the export costs must be provided by the company in question. In addition to government activities, commercial banks provide financing for exports, when possible with guarantees. The banks advise their customers on bank loans as well as on loans granted by other credit institutions.

#### Banks with Correspondent U.S. Banking Arrangements

All Estonian commercial banks have extensive correspondent relationships with U.S. banks -- in every U.S. state as well as in most of the larger financial centers. Further information on correspondent relationship can be obtained from the Estonian Bankers' Association.

### CHAPTER IX.

#### BUSINESS TRAVEL

##### Business Customs

Estonia is a modern, post-Soviet country that enjoys close relations with Nordic and other Baltic countries. Social and business protocol is similar to that in northern Europe.

##### Travel Advisory and Visas

U.S. citizens do not need to obtain a visa for visits of less than 90 days. To live and work in Estonia, a foreigner needs both a residence permit and a work permit, both of which may be obtained from the local Migration Departments. English-language instructions on how to apply are available from the Migration Department. Alternatively, instructions are posted in English on the web page of the Estonian Chamber of Commerce and Industry ([www.koda.ee](http://www.koda.ee)).

##### Holidays

The national holidays in Estonia for 1999 are:

New Year's Day	January 1
Independence Day	February 24
Good Friday	April 2
Easter	April 4
May Day	May 1
Whitsunday	May 23
Victory Day	June 23
Midsummer Day	June 24
Restoration of Independence	August 20
Christmas	December 25
Christmas	December 26

##### Business Infrastructure

Transportation: Estonia has a relatively well-developed transportation infrastructure. The density of Estonia's road network is comparable to that

of the Nordic countries. Public transportation in major cities is efficient and reliable. The government is currently in the process of privatizing the Estonian Railway. There are five passenger-serving airports in Estonia. However, all international flights occur through Tallinn Airport, which currently is undergoing reconstruction.

Language: The official language in Estonia is Estonian. English is increasingly spoken, especially in the capital city. Russian is still the most-widely spoken second language, although less so among younger Estonians.

Communications: Telecommunication is one of the fastest growing sectors in the Estonian economy. International phone calls can be made from Estonia to almost 100 countries. The mobile phone networks, which cover the entire territory of Estonia, are undergoing a phase of intense development.

Housing: Most people in Estonia own their own housing. About 30 per cent of the population live in rental housing. The rent of an apartment depends on its location, size, condition and age. Rents are relatively high and prices for apartments and houses are also high. Apartments are rented both furnished and unfurnished.

Health: While medical facilities are available throughout Estonia, medical standards are still uneven. Private clinics are service-friendly, but not always equipped for emergencies.

Estonian Food: Typical Estonian dishes rely heavily on pork, potatoes and garden vegetables. Spicy Estonian foods are unheard of. However the variety of available cuisine is expanding rapidly.

#### Temporary Entry of Goods

Please refer to the Temporary Entry section of Chapter VI.

## CHAPTER X.

### ECONOMIC AND TRADE STATISTICS

#### Appendix A: Country Data

- Population	1 453 844
- Population growth rate	-3.9
- Religion:	Lutheran, Orthodox, other
- Government system:	Republic
- Language:	Estonian
- Work week:	Five-day work week

#### Appendix B: Domestic Economy

##### Domestic Economy in USD millions

1996	1997	1998
------	------	------

(estimate)

- GDP	4354.32	4615.27	5202
- GDP growth rate	4.0	10.6	4.0
- Inflation per cent	23.1	11.2	8.2
- Unemployment per cent	10.0	9.7	9.6
- Foreign exchange reserve			
- Average exchange rate for USD 1.00	12.034	13.867	
14.074			

Note: Exchange rates used:

- 1996 - 1US\$ = 12.034 EEK
- 1997 - 1US\$ = 13.867 EEK
- 1998 - 1US\$ = 14.074 EEK

#### Appendix C: Trade

USD millions			
	1996	1997	1998
Total country exports	2079.4	2932.3	
3361.5			
Total country imports	3231.4	4442.9	
4967.7			
U.S. exports	74.4	165.2	
221.7			
U.S. imports	45.9	53.8	
62.2			

#### Appendix D: Investment Statistics

STOCK OF FOREIGN DIRECT INVESTMENT INTO ESTONIA PER CAPITA, 1996, 1997, 1998 -  
NINE MONTHS

Year	FDI	Population	FDI per capita
mil	US\$	Mill	US\$
1996	150.8	1.5	100.5
1997	266.1	1.5	177.4
1998	358.4	1.5	239.0

STOCK OF FOREIGN DIRECT INVESTMENT IN ESTONIA (THOUSAND OF EEKs) as of 30.09.98.

Country	Stock	%
Position		
Finland	6 426 978	30
1		
Sweden	5 761 904	27
2		
United States of America	1 286 919	6
3		



Denmark	974 816	4
4		
Norway	916 847	4
5		
Liechtenstein	772 970	4
6		
United Kingdom	765 875	4
7		
Germany	741 840	3
8		
Singapore	651 314	3
9		
Netherlands	625 626	3
10		
Russia	512 266	2
11		
Total	21 717 900	100

STOCK OF FOREIGN DIRECT INVESTMENT INTO ESTONIA (THOUSAND OF EEKs)

x - not possible to publish because of confidentiality principles

Field of Activity	Stock	%
Manufacturing	7 249 550	33
Trade and repairs	5 424 957	25
Financial intermediation	3 431 460	16
Transports, communication	2 213 833	10
Real estate and business activities	1 762 028	8
Agriculture	270 124	1
Hotels and restaurant	256 350	1
Construction	254 027	1
Other	148 889	1
Electricity, gas and water	138 000	1
Mining and quarrying	74 393	0
Education	12 086	0
Fishing	12 086	0
Public administration and defense:	X	X
compulsory social security		
Health and social care	-57	0
Unknown	481 871	2
Total	21 717 900	100

CHAPTER XI.

U.S. AND COUNTRY CONTACTS

Appendix E: U.S. Embassy Trade Personnel

Foreign Commercial Service  
United States Embassy  
Kentmanni 20  
15099 Tallinn  
Estonia

or

Foreign Commercial Service, AmEmbassy Stockholm  
PSC 78, Box H  
APO AE 09723  
Tel: 372-6466 355  
Fax: 372-6312 025

Ms. Karen Pilmanis, SCO (the Senior Commercial Specialist for the  
Baltics in  
resident in Stockholm)  
Ms. Reese Sepp, Commercial Specialist (Tallinn)

U.S. Embassy, Economic Section  
Kentmanni 20  
15099 Tallinn  
Estonia

or

PSC 78, Box H  
APO AE 09723  
Tel: 372-6312 021  
Fax: 372-6312 025

Mrs. Nancy Nelson, Economic/Commercial Officer

Foreign Agricultural Service  
Strandvägen 101  
115 89 Stockholm, Sweden  
Tel: 46-8-783 5389  
Fax: 46-8-662 8495

Mr. Robert Tetrov, Agricultural Counselor  
Ms. Gunilla Törnquist, Agricultural specialist

Foreign Agricultural Service  
7, Raina Boulevard  
Riga, LV-1510, Latvia  
Tel: 371 721 0006  
Fax: 371 722 7390

Ms. Jolanta Andersone

Chambers of Commerce

Estonian Chamber of Commerce and Industry  
Toom-Kooli 17  
10130 Tallinn  
Estonia  
Tel: 372 646 0244  
Fax: 372 646 0245  
E-mail: koda@koda.ee

Estonian Chamber of Commerce of Agriculture (CCA)  
J.Vilmsi 53B,  
10147 Tallinn

Estonia  
Tel: 372 641 9007  
Fax: 372 641 9008  
E-mail: info@epakk.ee

ECCA Office in Netherlands  
P.O. Box 1030  
8900 CA Leeuwarden  
Netherlands  
Tel: 31 582 941 600  
Fax: 31 582 941 666  
E-mail: eatc@tref.nt

American Chamber of Commerce  
Harju 6  
10130 Tallinn  
Estonia  
Tel: 372 631 0522  
Fax: 372 631 0521  
E-mail: acce@datanet.ee  
E-mail: www@acce.ee

WTC Tallinn Ltd.  
Ahtri 8  
10151 Tallinn  
Estonia  
Tel: 372 6261 020  
Fax: 372 6261 019  
E-mail: www@wtc.ee

#### Country Trade Associations

Association of Construction Material Producers of Estonia  
Jaama 1a  
11615 Tallinn  
Estonia  
Tel: 372 2512230  
Fax: 372 26506178  
E-mail: www.ehitusnet.ee

Association of Estonian Food Industry  
Gonsiori 29  
10147 Tallinn  
Estonia  
Tel: 372 2 422 246  
Fax: 372 6 312 718

Association of Estonian Fruit and Vegetable Wholesalers  
Pärnu mnt. 139c-513  
11317 Tallinn  
Estonia  
Tel: 372 50 66 339  
Fax: 372 556 974  
E-mail: epkhl@anet.ee

BSA (Business Software Allcance)  
Mustamae tee 55

10621 Tallinn  
Estonia  
tel: 372 656 4220  
web site: [www.bsa.ee](http://www.bsa.ee)

Estonian Authors Society  
Toompuiestee 7  
10142 Tallinn  
Estonia  
Tel: 372 2 453 788  
Fax: 372 6 460 273  
E-mail: [www.eauthors.ee](http://www.eauthors.ee)

Association of Estonian Patent Attorneys  
Lai 10  
10133 Tallinn  
Estonia  
Tel: 372 6406 600  
Fax: 372 6406 604  
E-mail: [lasvet@online.ee](mailto:lasvet@online.ee)

Estonian Banking Association  
Ahtri 12  
10151 Tallinn  
Estonia  
Tel: 372 611 6567  
Fax: 372 611 6568

Estonian Fairs Ltd.  
Pirita tee 28  
10127 Tallinn  
Tel: 372 6137 337  
Fax: 372 6137 447  
E-mail: [fair@fair.ee](mailto:fair@fair.ee)

#### Country Government Offices

Ministry of Economic Affairs  
Harju 11  
15072 Tallinn  
Estonia  
Tel: 372 625 6304  
Fax: 372 631 3660  
E-mail: [info@mineco.ee](mailto:info@mineco.ee)

Ministry of Agriculture  
Lai 39/41  
15056 Tallinn  
Estonia  
Tel: 372 625 6101  
Fax: 372 625 6200

Estonian Investment Agency  
Roosikrantsi 11  
10119 Tallinn  
Estonia  
Tel: 372 627 9420

Fax: 372 627 9427  
E-mail: info@eia.ee

National Customs Board  
Lõkke 5  
15175 Tallinn  
Estonia  
Tel: 372 696 7711  
Fax: 372 696 7727  
E-mail: info@keskus.customs.ee

Statistical Office of Estonia  
Endla 15  
15174 Tallinn  
Estonia  
Tel: 372 625 9202  
Fax: 372 245 3923  
E-mail: stat@stat.ee

Consumer Protection Board  
Kiriku 4  
15071 Tallinn  
Estonia  
Tel: 372 620 1700  
Fax: 372 620 1701  
E-mail: consumer@online.ee

Estonian Patent Office  
Toompuiestee 7  
15041 Tallinn  
Estonia  
Tel: 372 627 7900  
Fax: 372 645 1342

Public Procurement Office  
Kiriku 2/4  
10130 Tallinn  
Estonia  
Tel: 372 620 1810  
Fax: 372 631 1602

National Standards Board  
Aru 10  
10317 Tallinn  
Estonia  
Tel: 372 2493 572  
Fax: 372 6541 330  
E-mail: info@evs.ee

#### Country Commercial Banks

Hansapank  
Hansabank  
Liivalaia 8  
15040 Tallinn  
Estonia  
Tel: 372 631 0311

Fax. 372 631 0410

Eesti Ühispank  
Union Bank of Estonia  
Tartu mnt. 13  
15010 Tallinn  
Estonia  
Tel: 372 610 4100  
Fax: 372 610 4202

Optiva Pank  
Optiva Bank  
Narva mnt. 11  
10151 Tallinn  
Estonia  
Tel: 372 6310 311  
Fax: 372 6310 410

Eesti Krediidipank  
Estonian Credit Bank  
Narva mnt. 4  
15014 Tallinn  
Estonia  
Tel. 372 6405 000  
Fax: 372 6313 533

Tallinn Äripank  
Tallinn Business Bank  
Estonia pst 3/5  
15097 Tallinn  
Estonia  
Tel: 372 645 5349  
Fax: 372 660 4868

Merita Bank, Plc Tallinna Filiaal  
Merita Bank, Tallinn Branch  
Hobujaama 4  
10151 Tallinn  
Tel: 372 628 3200  
Fax: 372 628 3201

#### Washington-based USG Country Contacts

Central and Eastern Europe Business Information Center (CEEbic)  
U.S.S Department of Commerce  
1401 Constitution Avenue, N.W.  
Ronald Reagan Building  
R-CEEbic  
Washington, DC 20230  
Tel: 202-482-2645  
Fax: 202-482-3898  
E-mail: ceebic@ita.doc.gov

#### CHAPTER XI.

##### MARKET RESEARCH AND TRADE EVENTS

Appendix F: Country Market Research Firms

Saar Poll OÜ  
Veetorni 4  
10119 Tallinn  
Estonia  
Tel: 372 631 1302  
Fax: 372 631 2486  
E-mail: [www@infoatlas.ee](mailto:www@infoatlas.ee)

BMF-Baltic Media Facts  
Ahtri 12  
10151 Tallinn  
Estonia  
Tel: 372 626 8400  
Fax: 372 626 8401  
E-mail: [info@bmf.ee](mailto:info@bmf.ee)

EMOR  
Ahtri 12  
6th floor  
10151 Tallinn  
Estonia  
Tel: 372 626 8500  
Fax: 372 626 8501  
E-mail: [emor@emor.ee](mailto:emor@emor.ee)

Appendix G: Trade Event Schedule 1999/2000

September 29 Medifair  
Medical equipment and pharmaceutical products.  
Show management: Estonian Fairs Ltd.  
Tel: 372 6137 324; Fax: 372 6137 437; E-mail: [reet@fair.ee](mailto:reet@fair.ee)

October 8-10 Beauty World  
Cosmetic, perfumery and hair care products, beauty services.  
Show Management: Estonian Fairs Ltd.  
Tel: 372 6137 324; Fax: 372 6137 437; E-mail: [asse@fair.ee](mailto:asse@fair.ee)

October 19-21 Tallinn Food Fair  
Main product Groups/Sectors: foodstuffs, non-alcoholic and alcoholic beverages, tobacco products, shop and restaurants fitting, technology of food processing industry, packaging equipment and materials.  
Show Management: Profexpo Ltd.  
Tel: 372 6261 347; Fax: 372 6261 348  
E-mail: [foodfair@profexpo.ee](mailto:foodfair@profexpo.ee)

October 28-31 Tallinn Furniture and Interior Decoration Fair  
Office furniture and interior design products.  
Show management: Estonian Fairs Ltd.  
Tel: 372 6 137 324; Fax: 372 6 137 437; E-mail: [tanja@fair.ee](mailto:tanja@fair.ee)

November 12-14 Virtualvision  
Training, marketing and business services; photography and audio-video technology; printing technology

Show Management: Expo Balticum Ltd.

Tel: 372 6305 770; Fax: 372 6305 769; E-mail:  
info@expobalticum.ee

November 24-26 Instrutec

Main product Groups/Sectors: manufacturing equipment and accessories, industrial automatics; hand and cutting tools, dies and moulds; welding machines and accessories; subcontracting and industrial materials (metal processing, machine building, rubber and plastics processing, electrical and electronical engineering); measurement and control devices; maintenance; material handling equipment

Show Management: Estonian Fairs Ltd.

Tel: 372 6137 324; Fax: 372 6137 437; E-mail: raul@fair.ee

November 24-26 Chemistry

Main product Groups/Sectors: chemical industry, machines and accessories

Show Management: Estonian Fairs Ltd.

Tel: 372 6137 318; Fax: 372 6137 437; E-mail: raul@fair.ee

20000

March 01 Enerex

Main product Groups/Sectors: energetic, electric field, automatics, electronics, heating and ventilation  
Organizer: Expo Balticum Ltd.

Tel: 372 6286 680; Fax: 372 6285 690

E-mail: info@expobalticum.ee

March 09-11 Forestry

Main product Groups/Sectors: forestry, forest storing, sale and processing of round timber, furniture industry, chemical forest processing, science and education, environmental protection, fishing and hunting, landscape gardening, communication means, appropriate hardware and software for forestry companies, accounting, economical analyses

Show Management: Forestex Fairs Ltd.

Tel: 372 6505 667; Fax: 372 6505 673; E-mail: forestex@datanet.ee

March 10-11 Dentistry

Main product Groups/Sectors: dental equipment and materials.

Show Management: Estonian Fairs Ltd.

Tel: 372 6137 450; Fax: 372 6137 437; E-mail: reet@fair.ee

March 22-26 Motorex

Cars, trucks, buses, trailers, motorcycles, spare parts, accessories.

Organizer: Estonian Fairs Ltd.

Tel: 372 6137 324; Fax: 372 6137 437; E-mail: raul@fair.ee

<http://www.motorex.as.ee/>

April 27-29 Infocom 2000 Estonia

Main product Groups/Sectors: information and communication technology, broadcasting, consumer electronic, advertising and media



Show Management: Estonian Fairs Ltd.  
Tel: 372 6137 450; Fax: 372 6137 437; E-mail: reet@fair.ee  
Homepage: <http://www.infocom.ee>

May 11-14 Ideal Home  
Interior design products, home electronics and appliances.  
Organizer: Estonian Fairs Ltd.  
Tel: 372 6137 324; Fax: 372 6137 437; E-mail: tanja@fair.ee

May 11-14 Estonian Garden  
Seeds, plants, fertilizers, gardening tools, furniture.  
Organizer: Estonian Fairs Ltd.  
Tel: 372 6137 324; Fax: 372 6137 437; E-mail: asse@fair.ee

May 24-26 Wood Technology  
International forest, wood and paper industry fair  
Show management: Expo Balticum Ltd.  
Tel: 372 6286 680; Fax: 372 6285 690; E-mail: info@expobalticum.ee

September 14-16 Tourest  
International travel and tourism trade fair.  
Organizer: Estonian Association of Travel Agents  
Tel: 372 6313 013; Fax: 372 6313 622;  
E-mail: info@etfl.travelnet.ee

September 27-29 Medifair  
International Exhibition on Medical Equipment and  
Pharmaceutical  
Products Main product Groups/Sectors: pharmaceuticals;  
consumer  
health care products; hospital equipment; surgical equipment;  
laboratory supplies; medical equipment and accessories; medical  
supplies; general practitioner supplies; computer software;  
medical literature  
Show Management: Estonian Fairs Ltd.  
Tel: 372 6137 324; Fax: 372 6 137 437; E-mail: reet@fair.ee

October 4-6 Baltpac  
Main product Groups/Sectors: packing and packaging, food-  
processing, industrial machinery, laboratory equipment.  
Show management: Expo Balticum Ltd.  
Tel: 372 6286 680; Fax: 372 6285 690; E-mail: info@expobalticum.ee

October 13-15 Beauty Word  
Main product Groups/Sectors: prophylactic, hygienic and  
decorative cosmetic, perfumery and hair care; exclusive cosmetic and  
perfumery; beauty services (cosmetologists, hairdressers,  
manicurists, pedicurists, masseurs, make-up artists, solariums);  
producers of cosmetic, perfumery and hair care products;  
cosmetology (treatment and prevention of hair and skin diseases  
and defects, beauty surgery, aroma therapy); style analysis;  
education; linen; jewellery, fashion accessories, leatherwear  
Show Management: Estonian Fairs Ltd.  
Tel: 372 6137 336; Fax: 372 6 137 437; E-mail: asse@fair.ee

October 24-26 Food Fair Tallinn  
Main product Groups/Sectors: foodstuffs, non-alcoholic and

alcoholic beverages, tobacco products, shop and restaurants fitting, technology of food processing industry, packaging equipment and materials.

Show Management: Profexpo Ltd.

Tel: 372 6261 347; Fax: 372 6261 348; E-mail: foodfair@profexpo.ee

October 26-28 Virtualvision

Main product Groups/Sectors: training, marketing and business services; photography and audio-video technology; printing technology.

Show management: Expo Balticum Ltd.

Tel: 372 6286 680; Fax: 372 6285 690; E-mail: info@expobalticum.ee

November 1-3 Environment

Main product Groups/Sectors: financing of environmental projects, different technologies of waste management, hazardous waste management, water supply and wastewater purification, air pollution from traffic emissions, nature conservation, environmental impact assessment

Show management: Estonian Fairs Ltd.

Tel: 372 6137 450; Fax: 372 6137 437; E-mail: reet@fair.ee

November 1-3 Cleanest

Main product Groups/Sectors: industrial cleaning equipment, domestic cleaning equipment, chemicals for professional use, domestic chemicals, hygiene products, special clothing, cleaning services, safety goods, maintenance advises and studies.

Show management: Estonian Fairs Ltd.

Tel: 372 6137 450; Fax: 372 6137 437; E-mail: reet@fair.ee

November 15-17 Instrutec

Main product Groups/Sectors: manufacturing equipment and accessories, industrial automatics; hand and cutting tools, dies and moulds; welding machines and accessories; subcontracting and industrial materials (metal processing, machine building, rubber and plastics processing, electrical and electronical engineering); measurement and control devices; maintenance; material handling equipment.

Show Management: Estonian Fairs Ltd.

Tel: 372 6137 324; Fax: 372 6137 437; E-mail: [raul@fair.ee](mailto:raul@fair.ee)

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